GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:4202
ANSWERED ON:04.05.2007
WORLD BANK ASSISTANCE FOR POWER REFORMS
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Will the Minister of POWER be pleased to state:

(a) whether the World Bank provides assistance for power reforms in the country;

(b) if so, the details of assistance received during 2005-2006 and 2006-2007;

(c) the terms and conditions thereof;

(d) the details of assistance provided to States during the said period, State-wise; and

(e) the extent to which improvement has been registered in the power sector by such reforms so far in the country?

Answer

THE MINISTER OF POWER (SHRI SUSHILKUMAR SHINDE)

(a) to (d) : The International Bank for Reconstruction and Development (the window of the World Bank Group which extends normal development assistance) has provided financial assistance of US Dollars 30.48 million and 26.55 million during the financial years 2005-06 & 2006-07 respectively for Rajasthan Power Sector Restructuring Project. The project aimed at supporting the on going power sector reform process in Rajasthan leading to higher sectoral efficiency and financial recovery and at improving power supply by removing the critical bottlenecks in the power transmission and distribution system.

The standard terms and conditions of the Bank are applicable to the loan under which the repayment period is 20 years including a grace period of 5 years and the interest rate is on 60 basis points above LIBOR (London Inter-Bank Offer Rate).

(e) : The power sector reforms aim at efficient and commercially viable and competitive power supply industry to provide reliable quality power at competitive prices to the consumers. Improving financial viability of power utilities is one of the key deliverables of power sector reforms. The trend of continuously increasing commercial losses of Power Utilities has been arrested. The commercial losses (without subsidy) in State Power Utilities which had increased from Rs.4,560 crores during 1992-93 to Rs.25,259 crores during 2000-01, have come down to Rs. 19,722 crores, Rs.21,328 crores and Rs.16,563 crores (provisional figure) during the years 2003-04, 2004-05 and 2005-06, as per the available data compiled by Power Finance Corporation.